

## **HOUSE BILL No. 1656**

DIGEST OF HB 1656 (Updated February 3, 2009 9:31 am - DI 92)

**Citations Affected:** IC 4-13; IC 4-13.6; IC 5-16; IC 8-10; IC 8-15; IC 8-15.5; IC 8-15.7; IC 8-23; IC 36-1; noncode.

Synopsis: State and local administration. Provides that contracts for public works projects may not be awarded to a contractor that does not: (1) employ residents of Indiana as at least 80% of the employees working on the contract; and (2) enter into subcontracts only with subcontractors that employ residents of Indiana as at least 80% of the employees working on the contract. Applies this restriction to contracts entered into by the public works division of the department of administration, any state agency or commission entering into a public works contract, the commission governing the ports of Indiana, the department of transportation, and units of local government. Requires the commissioner of the department of administration to prepare an annual report for the public and the legislative council stating, for the contractors awarded public works contracts by the state and the subcontractors with which these contractors entered into subcontracts, the percentage of the contractors' and subcontractors' employees working on the public works contracts who are residents of Indiana. Requires certain public works projects to use Indiana produced steel or foundry products and materials, equipment, and durable goods made in Indiana. Prohibits tolling on an interstate highway project between Interstate Highway 465 and Interstate Highway 64. Prohibits the state from issuing a request for proposals for, or entering into, a publicprivate agreement concerning a project between Interstate Highway 465 and Interstate Highway 64. Requires that federal funds distributed to the state as part of an economic stimulus effort by the federal government to revive the United States economy must be appropriated by the general assembly before they may be expended. Appropriates \$1,000,000,000 from the major moves construction fund. Specifies certain conditions for the use of the money.

Effective: Upon passage; July 1, 2009.

# Austin, Pelath, Crawford

January 14, 2009, read first time and referred to Committee on Roads and Transportation. January 16, 2009, reported — Do Pass. Recommitted to Committee on Ways and Means. February 3, 2009, amended, reported — Do Pass.



First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

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## **HOUSE BILL No. 1656**

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A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration and to make an appropriation.

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Be it enacted by the General Assembly of the State of Indiana:

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4	transaction" means the award of a contract under:
3	UPON PASSAGE]: Sec. 16.5. (a) As used in this section, "covered
2	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
1	SECTION 1. IC 4-13-1-16.5 IS ADDED TO THE INDIANA CODE

- (1) IC 4-13.6-6-2.8;
- (2) IC 5-16-1-7.5;
  - (3) IC 8-10-1-7.7; or
- (4) IC 8-23-9-4.6.

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- (b) As used in this section, "resident of Indiana" means a person who is at least eighteen (18) years of age and is one (1) of the following:
  - (1) A person who has registered a motor vehicle in Indiana.
  - (2) A person who is registered to vote in Indiana.
  - (3) A person who has a child enrolled in an elementary or a secondary school located in Indiana.
  - (4) A person who derives more than one-half (1/2) of the person's gross income (as defined in Section 61 of the Internal

HB 1656—LS 7476/DI 92+



1	Revenue Code) from sources in Indiana, according to the
2	provisions applicable to determining the source of adjusted
3	gross income that are set forth in IC 6-3-2-2. However, a
4	person who would otherwise be considered a resident of
5	Indiana under this subdivision is not a resident of Indiana if
6	a preponderance of the evidence concerning the factors set
7	forth in subdivisions (1) through (3) proves that the person is
8	not a resident of Indiana.
9	(c) Before October 1 of 2010 and each year thereafter, the
10	commissioner shall compile, make available for public inspection,
11	and submit to the legislative council a report for the preceding
12	state fiscal year stating:
13	(1) for the contractors awarded contracts in covered
14	transactions; and
15	(2) for the subcontractors with which the contractor referred
16	to in subdivision (1) enter into subcontracts in connection with
17	contracts awarded in covered transactions;
18	the percentage of the employees of the contractors and
19	subcontractors who work on the contracts and are residents of
20	Indiana. The report to the legislative council must be in an
21	electronic format under IC 5-14-6.
22	SECTION 2. IC 4-13.6-6-2.8 IS ADDED TO THE INDIANA
23	CODE AS A <b>NEW</b> SECTION TO READ AS FOLLOWS
24	[EFFECTIVE UPON PASSAGE]: Sec. 2.8. (a) As used in this section,
25	"resident of Indiana" means a person who is at least eighteen (18)
26	years of age and is one (1) of the following:
27	(1) A person who has registered a motor vehicle in Indiana.
28	(2) A person who is registered to vote in Indiana.
29	(3) A person who has a child enrolled in an elementary or a
30	secondary school located in Indiana.
31	(4) A person who derives more than one-half (1/2) of the
32	person's gross income (as defined in Section 61 of the Internal
33	Revenue Code) from sources in Indiana, according to the
34	provisions applicable to determining the source of adjusted
35	gross income that are set forth in IC 6-3-2-2. However, a
36	person who would otherwise be considered a resident of
37	Indiana under this subdivision is not a resident of Indiana if
38	a preponderance of the evidence concerning the factors set
39	forth in subdivisions (1) through (3) proves that the person is
40	not a resident of Indiana.

(b) When entering a bid under this chapter for a public works project, each contractor shall provide the division with information  ${\bf r}$ 



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1	on the number of residents of Indiana who will be employed by the	
2	contractor and the number of residents of Indiana who will be	
3	employed by any subcontractor of the contractor.	
4	(c) A contract for a public works project may not be awarded to	
5	a contractor who does not:	
6	(1) employ residents of Indiana as at least eighty percent	
7	(80%) of the employees who work on the contract; and	
8	(2) enter into subcontracts only with subcontractors who	
9	employ residents of Indiana as at least eighty percent (80%)	
10	of the employees who work on the subcontract.	
11	(d) Before August 15 of 2010 and each year thereafter, the	
12	division shall file with the commissioner a report for the preceding	
13	year stating:	
14	(1) for each contractor awarded a contract under this	
15	chapter; and	
16	(2) for each subcontractor with which a contractor referred	
17	to in subdivision (1) enters into a contract in connection with	
18	a contract awarded under this chapter;	
19	the percentage of the employees of the contractor or subcontractor	
20	who work on the contract and are residents of Indiana.	
21	(e) A contract awarded under this chapter for a public works	
22	project is terminated if the division determines that the contractor	
23	has failed to:	
24	(1) employ residents of Indiana as at least eighty percent	
25	(80%) of the employees who work on the contract; and	
26	(2) enter into subcontracts only with subcontractors who	
27	employ residents of Indiana as at least eighty percent (80%)	
28	of the employees who work on the subcontract.	V
29	(f) A contractor or subcontractor who fails to employ residents	
30	of Indiana as at least eighty percent (80%) of the employees who	
31	work on the contract or subcontract commits a Class B infraction	
32	for each nonresident of Indiana employed in excess of the number	
33	of nonresident employees permitted by this section.	
34	SECTION 3. IC 5-16-1-7.5 IS ADDED TO THE INDIANA CODE	
35	AS A <b>NEW</b> SECTION TO READ AS FOLLOWS [EFFECTIVE	
36	UPON PASSAGE]: Sec. 7.5. (a) As used in this section, "resident of	
37	Indiana" means a person who is at least eighteen (18) years of age	
38	and is one (1) of the following:	
39	(1) A person who has registered a motor vehicle in Indiana.	
40	(2) A person who is registered to vote in Indiana.	
41	(3) A person who has a child enrolled in an elementary or a	



42

secondary school located in Indiana.

1	(4) A person who derives more than one-half (1/2) of the
2	person's gross income (as defined in Section 61 of the Internal
3	Revenue Code) from sources in Indiana, according to the
4	provisions applicable to determining the source of adjusted
5	gross income that are set forth in IC 6-3-2-2. However, a
6	person who would otherwise be considered a resident of
7	Indiana under this subdivision is not a resident of Indiana if
8	a preponderance of the evidence concerning the factors set
9	forth in subdivisions (1) through (3) proves that the person is
10	not a resident of Indiana.
11	(b) When entering into a contract under this chapter, each
12	contractor shall provide the state or commission with information
13	on the number of residents of Indiana who will be employed by the
14	contractor and the number of residents of Indiana who will be
15	employed by any subcontractor of the contractor.
16	(c) A contract for a public works project under this chapter may
17	not be awarded to a contractor who does not:
18	(1) employ residents of Indiana as at least eighty percent
19	(80%) of the employees who work on the contract; and
20	(2) enter into subcontracts only with subcontractors who
21	employ residents of Indiana as at least eighty percent (80%)
22	of the employees who work on the subcontract.
23	(d) Before August 15 of 2010 and each year thereafter, the state
24	or a commission entering into contracts under this chapter shall
25	file with the commissioner of the Indiana department of
26	administration a report stating:
27	(1) for each contractor awarded a contract under this
28	chapter; and
29	(2) for each subcontractor with which a contractor referred
30	to in subdivision (1) enters into a contract in connection with
31	a contract awarded under this chapter;
32	the percentage of the employees of the contractor or subcontractor
33	who work on the contract and are residents of Indiana.
34	(e) A contract awarded under this chapter for a public works
35	project is terminated if the state or commission determines that the
36	contractor has failed to:
37	(1) employ residents of Indiana as at least eighty percent
38	(80%) of the employees who work on the contract; and
39	(2) enter into subcontracts only with subcontractors who
40	employ residents of Indiana as at least eighty percent (80%)

of the employees who work on the subcontract.

(f) A contractor or subcontractor who fails to employ residents



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1	of Indiana as at least eighty percent (80%) of the employees who
2	work on the contract or subcontract commits a Class B infraction
3	for each nonresident of Indiana employed in excess of the number
4	of nonresident employees permitted by this section.
5	SECTION 4. IC 5-16-8-1, AS AMENDED BY P.L.3-2008,
6	SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7	UPON PASSAGE]: Sec. 1. (a) The definitions in this section apply
8	throughout this chapter.
9	(b) "Foundry products" means products cast from ferrous and
10	nonferrous metals by foundries in the United States. Indiana.
11	(c) "Person" means a natural person, corporation, limited liability
12	company, partnership, or other business unit or association.
13	(d) "Public agency" means:
14	(1) the state of Indiana;
15	(2) a department, agency, board, commission, or institution of the
16	state of Indiana; or
17	(3) a county, city, township, school or conservancy district, or
18	other governmental unit or district;
19	that receives public bids for construction or other public works under
20	Indiana law.
21	(e) "Steel products" means products rolled, formed, shaped, drawn,
22	extruded, forged, cast, fabricated, or otherwise similarly processed, or
23	processed by a combination of two (2) or more of such operations, from
24	steel made in the United States Indiana by the open hearth, basic
25	oxygen, electric furnace, Bessemer, or other steel making process.
26	(f) "United States" refers to the United States of America. The term
27	includes all territory, continental or insular, subject to the jurisdiction
28	of the United States.
29	SECTION 5. IC 5-16-8-2, AS AMENDED BY P.L.6-2007,
30	SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
31	UPON PASSAGE]: Sec. 2. (a) Each public agency shall require that
32	every contract for the construction, reconstruction, alteration, repair,
33	improvement or maintenance of public works contain a provision that,
34	if any steel or foundry products are to be used or supplied in the
35	performance of the contract or subcontract, only steel or foundry
36	products made in the United States Indiana shall be used or supplied
37	in the performance of the contract or any of the subcontracts unless the
38	head of the public agency determines, in writing, that the cost of steel

(b) The head of each public agency shall issue rules which provide that, for purposes of subsection (a), the bid or offered price of any steel or foundry products of domestic Indiana origin is not considered

or foundry products is considered to be unreasonable.



1	unreasonable if the price does not exceed the sum of:
2	(1) the bid or offered price of like steel or foundry products of
3	foreign originating outside Indiana (including any
4	applicable duty); plus
5	(2) a differential of fifteen percent (15%) of the bid or offered
6	price of the steel or foundry products of foreign origin.
7	originating outside Indiana.
8	However, the fifteen percent (15%) differential provided by
9	subdivision (2) may be increased to twenty-five percent (25%), if the
10	head of the public agency determines that use of steel or foundry
11	products of domestic Indiana origin would benefit the local or state
12	economy through improved job security and employment opportunity.
13	Whenever the head of a public agency determines that the differential
14	should be increased above fifteen percent (15%) for a particular
15	project, the head of the agency shall file a report with the governor and
16	the legislative services agency detailing the reasons for such
17	determination and the probable impact on the economy of the use of
18	domestic Indiana steel or foundry castings in the project. A report filed
19	under this subsection with the legislative services agency must be in an
20	electronic format under IC 5-14-6.
21	SECTION 6. IC 5-16-8-4, AS AMENDED BY P.L.6-2007,
22	SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23	UPON PASSAGE]: Sec. 4. This chapter does not apply if the head of
24	the public agency determines, in writing, that steel or foundry products
25	are not produced in the United States Indiana in sufficient quantities
26	to meet the requirements of the contract.
27	SECTION 7. IC 5-16-8-6 IS ADDED TO THE INDIANA CODE
28	AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
29	UPON PASSAGE]: Sec. 6. (a) The Indiana department of
30	administration shall develop criteria for determining whether steel
31	or foundry products are produced in Indiana.
32	(b) The Indiana department of administration shall do the
33	following:
34	(1) Publish on an Internet web site the criteria developed
35	under subsection (a).
36	(2) Maintain on an Internet web site a list of businesses and
37	products that meet the criteria developed under subsection
38	(a).
39	SECTION 8. IC 5-16-13 IS ADDED TO THE INDIANA CODE AS
40	A <b>NEW</b> CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
41	PASSAGE]:
12	Chanter 13 Procurement for Public Works Projects



1	Sec. 1. This chapter does not apply to the terms of a contract	
2	that are subject to IC 5-16-8 for the procurement of steel or	
3	foundry products.	
4	Sec. 2. (a) The definitions in this section apply throughout this	
5	chapter.	
6	(b) "Person" means an individual, corporation, limited liability	
7	company, partnership, or other business unit or association.	
8	(c) "Public agency" means:	
9	(1) the state of Indiana;	
10	(2) a department, agency, board, commission, or institution of	
11	the state of Indiana; or	
12	(3) a county, city, township, school or conservancy district, or	
13	other governmental unit or district;	
14	that receives public bids for construction or other public works	
15	under Indiana law.	
16	Sec. 3. Each public agency shall require that every contract for	
17	the construction, reconstruction, alteration, repair, improvement	
18	or maintenance of a public works project contain a provision that,	
19	if any materials, equipment, or other durable goods are to be used	
20	or supplied in the performance of the contract or subcontract, only	
21	materials, equipment, or durable goods made in Indiana may be	
22	used or supplied in the performance of the contract or any of the	
23	subcontracts unless the head of the public agency determines, in	
24	writing, that the cost of Indiana products is considered to be	
25	unreasonable.	
26	Sec. 4. The head of each public agency shall issue rules that	
27	provide that, for purposes of section 3 of this chapter, the bid or	,
28	offered price of any material, equipment, or durable good made in	
29	Indiana is not considered unreasonable if the price does not exceed	
30	the sum of:	
31	(1) the bid or offered price of like materials, equipment, or	
32	durable goods of foreign origin (including any applicable	
33	duty); plus	
34	(2) a differential of fifteen percent (15%) of the bid or offered	
35	price of the materials, equipment, or durable goods of foreign	
36	origin.	
37	However, the fifteen percent (15%) differential provided by	
38	subdivision (2) may be increased to twenty-five percent (25%), if	
39	the head of the public agency determines that use of material,	
40	equipment, or durable goods made in Indiana would benefit the	
41	local or state economy through improved job security and	

employment opportunity. Whenever the head of a public agency



determines that the differential should be increased above fifteen percent (15%) for a particular qualified project, the head of the agency shall file a report with the governor and the legislative services agency detailing the reasons for that determination and the probable impact on the economy of the use of material, equipment, or durable goods made in Indiana in public works project. A report filed under this subsection with the legislative services agency must be in an electronic format under IC 5-14-6.

- Sec. 5. A public agency may not authorize or make any payments to a person under a contract for a public works project containing the provision required by section 3 of this chapter unless the public agency is satisfied that the person has fully complied with that provision. Payments made to a person by a public agency that should not have been made as a result of this section are recoverable directly from the contractor or subcontractor who did not comply with section 2 of this chapter by the attorney general upon suit filed in the circuit court of the county in which the contract for the qualified project was executed or performed.
- Sec. 6. This chapter does not apply if the head of the public agency determines, in writing, that the materials, equipment, and durable goods required for a public works project are not produced in Indiana in sufficient quantities to meet the requirements of the contract for the qualified project.
- Sec. 7. (a) The Indiana department of administration shall develop criteria for determining whether materials, equipment, and durable goods commonly required for public works projects are produced in Indiana.
- (b) The Indiana department of administration shall do the following:
  - (1) Publish on an Internet web site the criteria developed under subsection (a).
  - (2) Maintain on an Internet web site a list of businesses and materials, equipment, and durable goods that meet the criteria developed under subsection (a).
- Sec. 8. This chapter is designed to promote the general welfare of the people of Indiana and is supplemental to all laws concerning public works and shall be liberally construed to fully effectuate its purposes.
- SECTION 9. IC 8-10-1-7.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7.7. (a) As used in this section, "resident of





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1	Indiana" means a person who is at least eighteen (18) years of age	
2	and is one (1) of the following:	
3	(1) A person who has registered a motor vehicle in Indiana.	
4	(2) A person who is registered to vote in Indiana.	
5	(3) A person who has a child enrolled in an elementary or a	
6	secondary school located in Indiana.	
7	(4) A person who derives more than one-half $(1/2)$ of the	
8	person's gross income (as defined in Section 61 of the Internal	
9	Revenue Code) from sources in Indiana, according to the	
10	provisions applicable to determining the source of adjusted	- 1
11	gross income that are set forth in IC 6-3-2-2. However, a	
12	person who would otherwise be considered a resident of	
13	Indiana under this subdivision is not a resident of Indiana if	
14	a preponderance of the evidence concerning the factors set	
15	forth in subdivisions (1) through (3) proves that the person is	
16	not a resident of Indiana.	1
17	(b) When entering into a contract under this chapter, each	•
18	contractor shall provide the commission with information on the	
19	number of residents of Indiana who will be employed by the	
20	contractor and the number of residents of Indiana who will be	
21	employed by any subcontractor of the contractor.	
22	(c) A contract for a public works project under this chapter may	
23	not be awarded to a contractor who does not:	
24	(1) employ residents of Indiana as at least eighty percent	
25	(80%) of the employees of the contractor who work on the	
26	contract; and	
27	(2) enter into subcontracts only with subcontractors who	
28	employ residents of Indiana as at least eighty percent (80%)	
29	of the employees who work on the subcontract.	
30	(d) Before August 15 of 2010 and each year thereafter, the	
31	commission shall file with the commissioner of the Indiana	
32	department of administration a report stating:	
33	(1) for each contractor awarded a contract under this	
34	chapter; and	
35	(2) for each subcontractor with which a contractor referred	
36	to in subdivision (1) enters into a contract in connection with	
37	a contract awarded under this chapter;	
38	the percentage of the employees of the contractor or subcontractor	
39	who work on the contract and are residents of Indiana.	
40	(e) A contract awarded under this chapter for a public works	

project is terminated if the commission determines that the



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contractor has failed to:

1	(1) employ residents of Indiana as at least eighty percent	
2	(80%) of the employees who work on the contract; and	
3	(2) enter into subcontracts only with subcontractors who	
4	employ residents of Indiana as at least eighty percent (80%)	
5	of the employees who work on the subcontract.	
6	(f) A contractor or subcontractor who fails to employ residents	
7	of Indiana as at least eighty percent ( $80\%$ ) of the employees who	
8	work on the contract or subcontract commits a Class B infraction	
9	for each nonresident of Indiana employed in excess of the number	
0	of nonresident employees permitted by this section.	1
1	SECTION 10. IC 8-15-2-1, AS AMENDED BY P.L.1-2007,	
2	SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE	
.3	UPON PASSAGE]: Sec. 1. (a) In order to remove the handicaps and	
4	hazards on the congested highways in Indiana, to facilitate vehicular	
.5	traffic throughout the state, to promote the agricultural and industrial	
6	development of the state, and to provide for the general welfare by the	
7	construction of modern express highways embodying safety devices,	,
. 8	including center division, ample shoulder widths, long sight distances,	
9	multiple lanes in each direction, and grade separations at intersections	
20	with other highways and railroads, the authority may:	
21	(1) subject to subsection (d), construct, reconstruct, maintain,	
22	repair, and operate toll road projects at such locations as shall be	
23	approved by the governor;	
24	(2) in accordance with such alignment and design standards as	
25	shall be approved by the authority and subject to IC 8-9.5-8-10,	
26	issue toll road revenue bonds of the state payable solely from	
27	funds pledged for their payment, as authorized by this chapter, to	1
28	pay the cost of such projects;	
29	(3) finance, develop, construct, reconstruct, improve, or maintain	1
0	improvements for manufacturing, commercial, or public	
1	transportation activities within a county through which a toll road	
32	passes;	
3	(4) in cooperation with the Indiana department of transportation	
4	or a political subdivision, construct, reconstruct, or finance the	
35	construction or reconstruction of an arterial highway or an arterial	
66	street that is located within a county through which a toll road	
57	passes and that:	
8	(A) interchanges with a toll road project; or	
9	(B) intersects with a road or a street that interchanges with a	
10	toll road project;	
1	(5) finance improvements necessary for developing transportation	



42

corridors in northwestern Indiana; and

1	(6) exercise these powers in participation with any governmental
2	entity or with any individual, partnership, limited liability
3	company, or corporation.
4	(b) Notwithstanding subsection (a), the authority shall not construct,
5	maintain, operate, nor contract for the construction, maintenance, or
6	operation of transient lodging facilities on, or adjacent to, such toll road
7	projects.
8	(c) This chapter:
9	(1) applies to the authority only when acting for the purposes set
10	forth in this chapter; and
11	(2) does not apply to the authority when acting under any other
12	statute for any other purpose.
13	(d) Notwithstanding any other law, neither the authority nor an
14	operator selected under IC 8-15.5 may carry out any of the following
15	activities under this chapter unless the general assembly enacts a
16	statute authorizing that activity:
17	(1) Carrying out construction for Interstate Highway 69 in a
18	township having a population of more than seventy-five thousand
19	(75,000) and less than ninety-three thousand five hundred
20	(93,500).
21	(2) Imposing tolls on motor vehicles for use of the part of an
22	interstate highway that connects a consolidated city and a city
23	having a population of more than eleven thousand five hundred
24	(11,500) but less than eleven thousand seven hundred forty
25	(11,740). Interstate Highway 64.
26	SECTION 11. IC 8-15-3-9, AS AMENDED BY P.L.47-2006,
27	SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28	UPON PASSAGE]: Sec. 9. (a) Subject to subsection (e), the governor
29	must approve the location of any tollway.
30	(b) The department may, in any combination, plan, design, develop,
31	construct, reconstruct, maintain, repair, police, finance, and operate
32	tollways, public improvements, and arterial streets and roads at those
33	locations that the governor approves.
34	(c) The department may, in any combination, plan, design, develop,
35	construct, reconstruct, improve, finance, operate, repair, or maintain
36	public improvements such as roads and streets, sewer lines, water lines,
37	and other utilities if these improvements are:
38	(1) adjacent or appurtenant to a tollway; or
39	(2) necessary or desirable for the financing, construction,
40	operation, or maintenance of a tollway.
41	(d) The department may, in any combination, plan, design, develop,

construct, reconstruct, improve, maintain, repair, operate, or finance



1	the construction or reconstruction of an arterial highway or an arterial
2	street that:
3	(1) is adjacent to, appurtenant to, or interchanges with a tollway;
4	or
5	(2) intersects with a road or street that interchanges with a
6	tollway.
7	(e) Notwithstanding any other law, the governor, the department, or
8	an operator may not carry out any of the following activities under this
9	chapter unless the general assembly enacts a statute authorizing that
10	activity:
11	(1) Approve the location of a tollway other than Interstate
12	Highway 69 between Interstate Highway 64 and a consolidated
13	city. having a population of more than eleven thousand five
14	hundred (11,500) but less than eleven thousand seven hundred
15	forty (11,740).
16	(2) Carry out construction for Interstate Highway 69 in a township
17	having a population of more than seventy-five thousand (75,000)
18	and less than ninety-three thousand five hundred (93,500).
19	(3) Impose tolls on motor vehicles for use of the part of an
20	interstate highway that connects a consolidated city and a city
21	having a population of more than eleven thousand five hundred
22	(11,500) but less than eleven thousand seven hundred forty
23	(11,740). Interstate Highway 64.
24	SECTION 12. IC 8-15.5-1-2, AS ADDED BY P.L.47-2006,
25	SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
26	UPON PASSAGE]: Sec. 2. (a) This article contains full and complete
27	authority for public-private agreements between the authority and a
28	private entity. Except as provided in this article, no law, procedure,
29	proceeding, publication, notice, consent, approval, order, or act by the
30	authority or any other officer, department, agency, or instrumentality
31	of the state or any political subdivision is required for the authority to
32	enter into a public-private agreement with a private entity under this
33	article, or for a toll road project that is the subject of a public-private
34	agreement to be constructed, acquired, maintained, repaired, operated,
35	financed, transferred, or conveyed.
36	(b) Notwithstanding any other law, after August 1, 2006, neither the
37	authority nor the department may:
38	(1) issue a request for proposals for; or
39	(2) enter into;
40	a public-private agreement under this article that would authorize an
41	operator to impose tolls for the operation of motor vehicles on all or

part of a project, unless the general assembly adopts a statute



1	authorizing the imposition of tolls.
2	(c) Notwithstanding any other law, neither the authority nor an
3	operator may carry out any of the following activities under this article
4	unless the general assembly enacts a statute authorizing that activity:
5	(1) Carrying out construction for Interstate Highway 69 in a
6	township having a population of more than seventy-five thousand
7	(75,000) and less than ninety-three thousand five hundred
8	(93,500).
9	(2) Imposing tolls on motor vehicles for use of the part of an
10	interstate highway that connects a consolidated city and a city
11	having a population of more than eleven thousand five hundred
12	(11,500) but less than eleven thousand seven hundred forty
13	(11,740). Interstate Highway 64.
14	SECTION 13. IC 8-15.7-1-5, AS AMENDED BY P.L.203-2007,
15	SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16	UPON PASSAGE]: Sec. 5. (a) This article contains full and complete
17	authority for agreements and leases with private entities to carry out the
18	activities described in this article. Except as provided in this article, no
19	procedure, proceeding, publication, notice, consent, approval, order, or
20	act by the authority, the department, or any other state or local agency
21	or official is required to enter into an agreement or lease, and no law to
22	the contrary affects, limits, or diminishes the authority for agreements
23	and leases with private entities, except as provided by this article.
24	(b) Notwithstanding any other law, the department, the authority, or
25	an operator may not carry out any of the following activities under this
26	article unless the general assembly enacts a statute authorizing that
27	activity:
28	(1) Issuing a request for proposals for, or entering into, a
29	public-private agreement concerning a project other than
30	Interstate Highway 69 between Interstate Highway 465 and
31	Interstate Highway 64.
32	(2) Carrying out construction for Interstate Highway 69 in a
33	township having a population of more than seventy-five thousand
34	(75,000) and less than ninety-three thousand five hundred
35	(93,500).
36	(3) Imposing user fees on motor vehicles for use of the part of an
37	interstate highway that connects a consolidated city and a city
38	having a population of more than eleven thousand five hundred
39	(11,500) but less than eleven thousand seven hundred forty
40	(11,740). Interstate Highway 64.
41	(c) Notwithstanding subsection (b) or any other law, the department

or the authority may enter into a public-private agreement concerning



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1	a project consisting of a passenger or freight railroad system described
2	in IC 8-15.7-2-14(a)(4). Such an agreement is subject to review and
3	appropriation by the general assembly. However, this subsection does
4	not prohibit the department from:
5	(1) conducting preliminary studies that the department considers
6	necessary to determine the feasibility of such a project; or
7	(2) issuing a request for qualifications or a request for proposals,
8	or both, under IC 8-15.7-4 for such a project.
9	SECTION 14. IC 8-23-7-22, AS AMENDED BY P.L.47-2006,
10	SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11	UPON PASSAGE]: Sec. 22. (a) Subject to subsection (b), the
12	department may, after issuing an order and receiving the governor's
13	approval, determine that a state highway should become a tollway.
14	After the order becomes effective, the department shall maintain and
15	operate the tollway and levy and collect tolls as provided in IC 8-15-3

(b) Notwithstanding any other law, the governor, the department, or an operator may not carry out any of the following activities under this section unless the general assembly enacts a statute authorizing that activity:

or enter into a public-private agreement with an operator with respect

to the tollway under IC 8-15.7. Before issuing an order under this

section, the department shall submit to the governor a plan to bring the

tollway to the current design standards of the department for new state

highways within a specified period. The specified period may not

- (1) Determine that a highway other than Interstate Highway 69 between Interstate Highway 64 and a **consolidated** city having a population of more than eleven thousand five hundred (11,500) but less than eleven thousand seven hundred forty (11,740), should become a tollway.
- (2) Carry out construction for Interstate Highway 69 in a township having a population of more than seventy-five thousand (75,000) and less than ninety-three thousand five hundred (93,500).
- (3) Impose tolls on motor vehicles for use of the part of an interstate highway that connects a consolidated city and a city having a population of more than eleven thousand five hundred (11,500) but less than eleven thousand seven hundred forty (11,740). Interstate Highway 64.

SECTION 15. IC 8-23-7-23, AS AMENDED BY P.L.47-2006, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. (a) Subject to subsection (c), the department may, after issuing an order and receiving the governor's







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exceed five (5) years.

1	approval, determine that a state highway should become a toll road. An
2	order under this section does not become effective unless the authority
3	adopts a resolution to accept the designated state highway, or part of
4	the highway, as a toll road project under the conditions contained in the
5	order. An order issued by the department under this section must set
6	forth the conditions upon which the transfer of the state highway, or
7	part of the highway, to the authority must occur, including the
8	following:
9	(1) The consideration, if any, to be paid by the authority to the
10	department.
11	(2) A requirement that the authority:
12	(A) enter into a contract or lease with the department with
13	respect to the toll road project under IC 8-9.5-8-7 or
14	IC 8-9.5-8-8; or
15	(B) enter into a public-private agreement with an operator with
16	respect to the toll road under IC 8-15.5.
17	(b) To complete a transfer under this section, the department must,
18	with the governor's approval, execute a certificate describing the real
19	and personal property constituting or to be transferred with the state
20	highway that is to become a toll road project. Upon delivery of the
21	certificate to the authority, the real and personal property described in
22	the certificate is under the jurisdiction and control of the authority.
23	(c) Notwithstanding any other law, neither the authority nor an
24	operator may carry out any of the following activities under this section
25	unless the general assembly enacts a statute authorizing that activity:
26	(1) Carrying out construction for Interstate Highway 69 in a
27	township having a population of more than seventy-five thousand
28	(75,000) and less than ninety-three thousand five hundred
29	(93,500).
30	(2) Imposing tolls on motor vehicles for use of the part of an
31	interstate highway that connects a consolidated city and a city
32	having a population of more than eleven thousand five hundred
33	(11,500) but less than eleven thousand seven hundred forty
34	<del>(11,740).</del> Interstate Highway 64.
35	SECTION 16. IC 8-23-9-4.6 IS ADDED TO THE INDIANA CODE
36	AS A <b>NEW</b> SECTION TO READ AS FOLLOWS [EFFECTIVE
37	UPON PASSAGE]: Sec. 4.6. (a) As used in this section, "resident of
38	Indiana" means a person who is at least eighteen (18) years of age
39	and is one (1) of the following:
40	(1) A person who has registered a motor vehicle in Indiana.
41	(2) A person who is registered to vote in Indiana.

(3) A person who has a child enrolled in an elementary or a



1	secondary school located in Indiana.
2	(4) A person who derives more than one-half (1/2) of the
3	person's gross income (as defined in Section 61 of the Internal
4	Revenue Code) from sources in Indiana, according to the
5	provisions applicable to determining the source of adjusted
6	gross income that are set forth in IC 6-3-2-2. However, a
7	person who would otherwise be considered a resident of
8	Indiana under this subdivision is not a resident of Indiana if
9	a preponderance of the evidence concerning the factors set
10	forth in subdivisions (1) through (3) proves that the person is
11	not a resident of Indiana.
12	(b) When entering into a contract under this chapter, each
13	contractor shall provide the department with information on the
14	number of residents of Indiana who will be employed by the
15	contractor and the number of residents of Indiana who will be
16	employed by any subcontractor of the contractor.
17	(c) A contract for a public works project under this chapter may
18	not be awarded to a contractor who does not:
19	(1) employ residents of Indiana as at least eighty percent
20	(80%) of the employees of the contractor who work on the
21	contract; and
22	(2) enter into subcontracts only with subcontractors who
23	employ residents of Indiana as at least eighty percent (80%)
24	of the employees working on the subcontract.
25	(d) Before August 15 of 2010 and each year thereafter, the
26	department shall file with the commissioner of the Indiana
27	department of administration a report stating:
28	(1) for each contractor awarded a contract under this
29	chapter; and
30	(2) for each subcontractor with which a contractor referred
31	to in subdivision (1) enters into a contract in connection with
32	a contract awarded under this chapter;
33	the percentage of the employees of the contractor or subcontractor
34	who work on the contract and are residents of Indiana.
35	(e) A contract awarded under this chapter for a public works
36	project is terminated if the department determines that the
37	contractor has failed to:
38	(1) employ residents of Indiana as at least eighty percent
39	(80%) of the employees who work on the contract; and
40	(2) enter into subcontracts only with subcontractors who
41	employ residents of Indiana as at least eighty percent (80%)



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of the employees who work on the subcontract.

1	(f) A contractor or subcontractor who fails to employ residents
2	of Indiana as at least eighty percent (80%) of the employees who
3	work on the contract or subcontract commits a Class B infraction
4	for each nonresident of Indiana employed in excess of the number
5	of nonresident employees permitted by this section.
6	SECTION 17. IC 36-1-12-5.5 IS ADDED TO THE INDIANA
7	CODE AS A <b>NEW</b> SECTION TO READ AS FOLLOWS
8	[EFFECTIVE UPON PASSAGE]: Sec. 5.5. (a) As used in this section,
9	"resident of Indiana" means a person who is at least eighteen (18)
0	years of age and is one (1) of the following:
1	(1) A person who has registered a motor vehicle in Indiana.
2	(2) A person who is registered to vote in Indiana.
3	(3) A person who has a child enrolled in an elementary or a
4	secondary school located in Indiana.
. 5	(4) A person who derives more than one-half (1/2) of the
6	person's gross income (as defined in Section 61 of the Internal
.7	Revenue Code) from sources in Indiana, according to the
. 8	provisions applicable to determining the source of adjusted
9	gross income that are set forth in IC 6-3-2-2. However, a
20	person who would otherwise be considered a resident of
21	Indiana under this subdivision is not a resident of Indiana if
22	a preponderance of the evidence concerning the factors set
23	forth in subdivisions (1) through (3) proves that the person is
24	not a resident of Indiana.
25	(b) When entering a bid under this chapter, each contractor
26	shall provide the unit of local government with information on the
27	number of residents of Indiana who will be employed by the
28	contractor and the number of residents of Indiana who will be
29	employed by any subcontractor of the contractor.
0	(c) A contract for a public works project under this chapter may
31	not be awarded to a contractor who does not:
32	(1) employ residents of Indiana as at least eighty percent
3	(80%) of the employees of the contractor who work on the
4	contract; and
55	(2) enter into subcontracts only with subcontractors who
66	employ residents of Indiana as at least eighty percent (80%)
57	of the employees working on the subcontract.
8	(d) A contract awarded under this chapter for a public works
19	project is terminated if the unit determines that the contractor has
10	failed to:
.1	(1) employ residents of Indiana as at least eighty percent

(80%) of the employees who work on the contract; and



- (2) enter into subcontracts only with subcontractors who employ residents of Indiana as at least eighty percent (80%) of the employees who work on the subcontract.
- (e) A contractor or subcontractor who fails to employ residents of Indiana as at least eighty percent (80%) of the employees who work on the contract or subcontract commits a Class B infraction for each nonresident of Indiana employed in excess of the number of nonresident employees permitted by this section.

SECTION 18. P.L.234-2007, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: SECTION 26. (a) The governor of the state of Indiana is solely authorized to accept on behalf of the state any and all federal funds available to the state of Indiana. Subject to subsection (b), federal funds received under this SECTION are appropriated for purposes specified by the federal government, subject to allotment by the budget agency. Subject to subsection (b), the provisions of this SECTION and all other SECTIONS of P.L.234-2007 concerning the acceptance, disbursement, review, and approval of any grant, loan, or gift made by the federal government or any other source to the state or its agencies and political subdivisions shall apply, notwithstanding any other law.

- (b) As used in this subsection, "economic stimulus funds" refers to grants, loans, and gifts made from federal funds, including any instrumentality of the federal government, after December 31, 2008, that are intended by the federal government or generally known to be part of an economic stimulus package to revive the United States economy. Notwithstanding any other law, including any other law enacted by the one hundred and sixteenth general assembly, any money distributed from economic stimulus funds to the state, a department or agency of the state, or an instrumentality of the state, including the Indiana economic development corporation, may be allotted and expended only to the extent that a law enacted after December 31, 2008, specifically appropriates the amount for the purposes specified by the federal government.
- (c) Not more than thirty (30) days after accepting economic stimulus funds, the governor shall submit a report to the general assembly containing the governor's recommendations for the expenditure of the economic stimulus funds. The report required by this subsection must be submitted in an electronic format under IC 5-14-6.
  - (d) This SECTION expires July 1, 2011.
- SECTION 19. [EFFECTIVE JULY 1, 2009] (a) For the period



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1	beginning July 1, 2009, and ending June 30, 2011, there is
2	appropriated from the major moves construction fund the
3	following amounts:
4	(1) Four hundred million dollars (\$400,000,000) for the
5	counties of Indiana.
6	(2) Four hundred million dollars (\$400,000,000) for the cities
7	and towns of Indiana.
8	(3) Two hundred million dollars (\$200,000,000) to the Indiana
9	department of transportation.
10	(b) The amounts appropriated under subsection (a) are subject
11	to the limitations set forth in this subsection. Money appropriated
12	under subsection (a) may not include any money that as of January
13	1, 2009 has been:
14	(1) appropriated and allotted to;
15	(2) appropriated to; or
16	(3) planned by;
17	the Indiana department of transportation for expenditure on the
18	extension of Interstate Highway 69 from Indianapolis to
19	Evansville.
20	(c) The amounts appropriated under subsection (a) must be
21	reduced proportionally if the result of subtracting the money
22	described in subsection (b) from the balance of the major moves
23	construction fund is insufficient to fully fund the appropriations set
24	forth in subsection (a).
25	(d) Money appropriated under subsection (a)(1) must be
26	distributed to the counties according to the ratio that the
27	population of each county bears to the total population of all
28	counties. The population totals used for purposes of the local road
29	and street account under IC 8-14-2 must be used for the purposes
30	of this subsection.
31	(e) Money appropriated under subsection (a)(2) must be
32	distributed to the cities and towns according to the ratio that the
33	population of each city and town bears to the total population of all
34	cities and towns. The population totals used for distributions from
35	the motor vehicle highway account under IC 8-14-1-3 must be used
36	for the purposes of this subsection.
37	(f) Each county, city, or town receiving money under this
38	SECTION shall keep the money in a separate account. Money
39	received under this SECTION may be used only for the
40	construction or reconstruction and maintenance of streets and
41	alleys. The fiscal body of a county, city, or town shall appropriate

 $the \ money\ received\ under\ this\ SECTION\ for\ a\ shovel\ ready\ project$ 



1	before January 1, 2011. Any money that is not appropriated in	
2	compliance with this subsection is forfeited to the state. The fiscal	
3	officer of a county, city, or town that holds forfeited money in the	
4	separate account required by this subsection shall transfer the	
5	forfeited amount to the treasurer of state before February 1, 2011.	
6	The treasurer of state shall deposit any money received under this	
7	subsection in the major moves construction fund.	
8	(g) Money appropriated under subsection (a)(3) shall be used by	
9	the Indiana department of transportation to obtain federal	_
10	highway matching funds. The purpose of the appropriation is to	
11	supplement the federal highway matching funds obtained with	
12	money appropriated to the department under all other laws. The	
13	department may not divert money received from an appropriation	
14	for formal contract expenses to any purpose that does not qualify	
15	for federal highway matching funds.	
16	(h) This SECTION expires July 1, 2011.	
17	SECTION 20. An emergency is declared for this act.	
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#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred House Bill 1656, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

AUSTIN, Chair

Committee Vote: yeas 7, nays 5.

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1656, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration and to make an appropriation.

Page 1, delete lines 1 through 17, begin a new paragraph and insert: "SECTION 1. IC 4-13-1-16.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16.5. (a) As used in this section, "covered transaction" means the award of a contract under:

- (1) IC 4-13.6-6-2.8;
- (2) IC 5-16-1-7.5;
- (3) IC 8-10-1-7.7; or
- (4) IC 8-23-9-4.6.
- (b) As used in this section, "resident of Indiana" means a person who is at least eighteen (18) years of age and is one (1) of the following:
  - (1) A person who has registered a motor vehicle in Indiana.
  - (2) A person who is registered to vote in Indiana.
  - (3) A person who has a child enrolled in an elementary or a secondary school located in Indiana.
  - (4) A person who derives more than one-half (1/2) of the person's gross income (as defined in Section 61 of the Internal Revenue Code) from sources in Indiana, according to the provisions applicable to determining the source of adjusted gross income that are set forth in IC 6-3-2-2. However, a









person who would otherwise be considered a resident of Indiana under this subdivision is not a resident of Indiana if a preponderance of the evidence concerning the factors set forth in subdivisions (1) through (3) proves that the person is not a resident of Indiana.

- (c) Before October 1 of 2010 and each year thereafter, the commissioner shall compile, make available for public inspection, and submit to the legislative council a report for the preceding state fiscal year stating:
  - (1) for the contractors awarded contracts in covered transactions; and
  - (2) for the subcontractors with which the contractor referred to in subdivision (1) enter into subcontracts in connection with contracts awarded in covered transactions;

the percentage of the employees of the contractors and subcontractors who work on the contracts and are residents of Indiana. The report to the legislative council must be in an electronic format under IC 5-14-6.

SECTION 2. IC 4-13.6-6-2.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.8. (a) As used in this section, "resident of Indiana" means a person who is at least eighteen (18) years of age and is one (1) of the following:

- (1) A person who has registered a motor vehicle in Indiana.
- (2) A person who is registered to vote in Indiana.
- (3) A person who has a child enrolled in an elementary or a secondary school located in Indiana.
- (4) A person who derives more than one-half (1/2) of the person's gross income (as defined in Section 61 of the Internal Revenue Code) from sources in Indiana, according to the provisions applicable to determining the source of adjusted gross income that are set forth in IC 6-3-2-2. However, a person who would otherwise be considered a resident of Indiana under this subdivision is not a resident of Indiana if a preponderance of the evidence concerning the factors set forth in subdivisions (1) through (3) proves that the person is not a resident of Indiana.
- (b) When entering a bid under this chapter for a public works project, each contractor shall provide the division with information on the number of residents of Indiana who will be employed by the contractor and the number of residents of Indiana who will be employed by any subcontractor of the contractor.









- (c) A contract for a public works project may not be awarded to a contractor who does not:
  - (1) employ residents of Indiana as at least eighty percent (80%) of the employees who work on the contract; and
  - (2) enter into subcontracts only with subcontractors who employ residents of Indiana as at least eighty percent (80%) of the employees who work on the subcontract.
- (d) Before August 15 of 2010 and each year thereafter, the division shall file with the commissioner a report for the preceding year stating:
  - (1) for each contractor awarded a contract under this chapter; and
  - (2) for each subcontractor with which a contractor referred to in subdivision (1) enters into a contract in connection with a contract awarded under this chapter;

the percentage of the employees of the contractor or subcontractor who work on the contract and are residents of Indiana.

- (e) A contract awarded under this chapter for a public works project is terminated if the division determines that the contractor has failed to:
  - (1) employ residents of Indiana as at least eighty percent (80%) of the employees who work on the contract; and
  - (2) enter into subcontracts only with subcontractors who employ residents of Indiana as at least eighty percent (80%) of the employees who work on the subcontract.
- (f) A contractor or subcontractor who fails to employ residents of Indiana as at least eighty percent (80%) of the employees who work on the contract or subcontract commits a Class B infraction for each nonresident of Indiana employed in excess of the number of nonresident employees permitted by this section.

SECTION 3. IC 5-16-1-7.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7.5. (a) As used in this section, "resident of Indiana" means a person who is at least eighteen (18) years of age and is one (1) of the following:

- (1) A person who has registered a motor vehicle in Indiana.
- (2) A person who is registered to vote in Indiana.
- (3) A person who has a child enrolled in an elementary or a secondary school located in Indiana.
- (4) A person who derives more than one-half (1/2) of the person's gross income (as defined in Section 61 of the Internal Revenue Code) from sources in Indiana, according to the









provisions applicable to determining the source of adjusted gross income that are set forth in IC 6-3-2-2. However, a person who would otherwise be considered a resident of Indiana under this subdivision is not a resident of Indiana if a preponderance of the evidence concerning the factors set forth in subdivisions (1) through (3) proves that the person is not a resident of Indiana.

- (b) When entering into a contract under this chapter, each contractor shall provide the state or commission with information on the number of residents of Indiana who will be employed by the contractor and the number of residents of Indiana who will be employed by any subcontractor of the contractor.
- (c) A contract for a public works project under this chapter may not be awarded to a contractor who does not:
  - (1) employ residents of Indiana as at least eighty percent (80%) of the employees who work on the contract; and
  - (2) enter into subcontracts only with subcontractors who employ residents of Indiana as at least eighty percent (80%) of the employees who work on the subcontract.
- (d) Before August 15 of 2010 and each year thereafter, the state or a commission entering into contracts under this chapter shall file with the commissioner of the Indiana department of administration a report stating:
  - (1) for each contractor awarded a contract under this chapter; and
  - (2) for each subcontractor with which a contractor referred to in subdivision (1) enters into a contract in connection with a contract awarded under this chapter;

the percentage of the employees of the contractor or subcontractor who work on the contract and are residents of Indiana.

- (e) A contract awarded under this chapter for a public works project is terminated if the state or commission determines that the contractor has failed to:
  - (1) employ residents of Indiana as at least eighty percent (80%) of the employees who work on the contract; and
  - (2) enter into subcontracts only with subcontractors who employ residents of Indiana as at least eighty percent (80%) of the employees who work on the subcontract.
- (f) A contractor or subcontractor who fails to employ residents of Indiana as at least eighty percent (80%) of the employees who work on the contract or subcontract commits a Class B infraction for each nonresident of Indiana employed in excess of the number









### of nonresident employees permitted by this section.

SECTION 4. IC 5-16-8-1, AS AMENDED BY P.L.3-2008, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The definitions in this section apply throughout this chapter.

- (b) "Foundry products" means products cast from ferrous and nonferrous metals by foundries in the United States. Indiana.
- (c) "Person" means a natural person, corporation, limited liability company, partnership, or other business unit or association.
  - (d) "Public agency" means:
    - (1) the state of Indiana;
    - (2) a department, agency, board, commission, or institution of the state of Indiana; or
    - (3) a county, city, township, school or conservancy district, or other governmental unit or district;

that receives public bids for construction or other public works under Indiana law.

- (e) "Steel products" means products rolled, formed, shaped, drawn, extruded, forged, cast, fabricated, or otherwise similarly processed, or processed by a combination of two (2) or more of such operations, from steel made in the United States Indiana by the open hearth, basic oxygen, electric furnace, Bessemer, or other steel making process.
- (f) "United States" refers to the United States of America. The term includes all territory, continental or insular, subject to the jurisdiction of the United States.

SECTION 5. IC 5-16-8-2, AS AMENDED BY P.L.6-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Each public agency shall require that every contract for the construction, reconstruction, alteration, repair, improvement or maintenance of public works contain a provision that, if any steel or foundry products are to be used or supplied in the performance of the contract or subcontract, only steel or foundry products made in the United States Indiana shall be used or supplied in the performance of the contract or any of the subcontracts unless the head of the public agency determines, in writing, that the cost of steel or foundry products is considered to be unreasonable.

- (b) The head of each public agency shall issue rules which provide that, for purposes of subsection (a), the bid or offered price of any steel or foundry products of domestic Indiana origin is not considered unreasonable if the price does not exceed the sum of:
  - (1) the bid or offered price of like steel or foundry products of foreign origin originating outside Indiana (including any











applicable duty); plus

(2) a differential of fifteen percent (15%) of the bid or offered price of the steel or foundry products of foreign origin. originating outside Indiana.

However, the fifteen percent (15%) differential provided by subdivision (2) may be increased to twenty-five percent (25%), if the head of the public agency determines that use of steel or foundry products of domestic Indiana origin would benefit the local or state economy through improved job security and employment opportunity. Whenever the head of a public agency determines that the differential should be increased above fifteen percent (15%) for a particular project, the head of the agency shall file a report with the governor and the legislative services agency detailing the reasons for such determination and the probable impact on the economy of the use of domestic Indiana steel or foundry castings in the project. A report filed under this subsection with the legislative services agency must be in an electronic format under IC 5-14-6.

SECTION 6. IC 5-16-8-4, AS AMENDED BY P.L.6-2007, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. This chapter does not apply if the head of the public agency determines, in writing, that steel or foundry products are not produced in the United States Indiana in sufficient quantities to meet the requirements of the contract.

SECTION 7. IC 5-16-8-6 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The Indiana department of administration shall develop criteria for determining whether steel or foundry products are produced in Indiana.

- (b) The Indiana department of administration shall do the following:
  - (1) Publish on an Internet web site the criteria developed under subsection (a).
  - (2) Maintain on an Internet web site a list of businesses and products that meet the criteria developed under subsection (a).

SECTION 8. IC 5-16-13 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 13. Procurement for Public Works Projects

Sec. 1. This chapter does not apply to the terms of a contract that are subject to IC 5-16-8 for the procurement of steel or foundry products.

HB 1656—LS 7476/DI 92+











- Sec. 2. (a) The definitions in this section apply throughout this chapter.
- (b) "Person" means an individual, corporation, limited liability company, partnership, or other business unit or association.
  - (c) "Public agency" means:
    - (1) the state of Indiana;
    - (2) a department, agency, board, commission, or institution of the state of Indiana; or
    - (3) a county, city, township, school or conservancy district, or other governmental unit or district;

that receives public bids for construction or other public works under Indiana law.

- Sec. 3. Each public agency shall require that every contract for the construction, reconstruction, alteration, repair, improvement or maintenance of a public works project contain a provision that, if any materials, equipment, or other durable goods are to be used or supplied in the performance of the contract or subcontract, only materials, equipment, or durable goods made in Indiana may be used or supplied in the performance of the contract or any of the subcontracts unless the head of the public agency determines, in writing, that the cost of Indiana products is considered to be unreasonable.
- Sec. 4. The head of each public agency shall issue rules that provide that, for purposes of section 3 of this chapter, the bid or offered price of any material, equipment, or durable good made in Indiana is not considered unreasonable if the price does not exceed the sum of:
  - (1) the bid or offered price of like materials, equipment, or durable goods of foreign origin (including any applicable duty); plus
  - (2) a differential of fifteen percent (15%) of the bid or offered price of the materials, equipment, or durable goods of foreign origin.

However, the fifteen percent (15%) differential provided by subdivision (2) may be increased to twenty-five percent (25%), if the head of the public agency determines that use of material, equipment, or durable goods made in Indiana would benefit the local or state economy through improved job security and employment opportunity. Whenever the head of a public agency determines that the differential should be increased above fifteen percent (15%) for a particular qualified project, the head of the agency shall file a report with the governor and the legislative

HB 1656—LS 7476/DI 92+









services agency detailing the reasons for that determination and the probable impact on the economy of the use of material, equipment, or durable goods made in Indiana in public works project. A report filed under this subsection with the legislative services agency must be in an electronic format under IC 5-14-6.

Sec. 5. A public agency may not authorize or make any payments to a person under a contract for a public works project containing the provision required by section 3 of this chapter unless the public agency is satisfied that the person has fully complied with that provision. Payments made to a person by a public agency that should not have been made as a result of this section are recoverable directly from the contractor or subcontractor who did not comply with section 2 of this chapter by the attorney general upon suit filed in the circuit court of the county in which the contract for the qualified project was executed or performed.

Sec. 6. This chapter does not apply if the head of the public agency determines, in writing, that the materials, equipment, and durable goods required for a public works project are not produced in Indiana in sufficient quantities to meet the requirements of the contract for the qualified project.

- Sec. 7. (a) The Indiana department of administration shall develop criteria for determining whether materials, equipment, and durable goods commonly required for public works projects are produced in Indiana.
- (b) The Indiana department of administration shall do the following:
  - (1) Publish on an Internet web site the criteria developed under subsection (a).
  - (2) Maintain on an Internet web site a list of businesses and materials, equipment, and durable goods that meet the criteria developed under subsection (a).

Sec. 8. This chapter is designed to promote the general welfare of the people of Indiana and is supplemental to all laws concerning public works and shall be liberally construed to fully effectuate its purposes.

SECTION 9. IC 8-10-1-7.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7.7. (a) As used in this section, "resident of Indiana" means a person who is at least eighteen (18) years of age and is one (1) of the following:

(1) A person who has registered a motor vehicle in Indiana.



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- (2) A person who is registered to vote in Indiana.
- (3) A person who has a child enrolled in an elementary or a secondary school located in Indiana.
- (4) A person who derives more than one-half (1/2) of the person's gross income (as defined in Section 61 of the Internal Revenue Code) from sources in Indiana, according to the provisions applicable to determining the source of adjusted gross income that are set forth in IC 6-3-2-2. However, a person who would otherwise be considered a resident of Indiana under this subdivision is not a resident of Indiana if a preponderance of the evidence concerning the factors set forth in subdivisions (1) through (3) proves that the person is not a resident of Indiana.
- (b) When entering into a contract under this chapter, each contractor shall provide the commission with information on the number of residents of Indiana who will be employed by the contractor and the number of residents of Indiana who will be employed by any subcontractor of the contractor.
- (c) A contract for a public works project under this chapter may not be awarded to a contractor who does not:
  - (1) employ residents of Indiana as at least eighty percent (80%) of the employees of the contractor who work on the contract; and
  - (2) enter into subcontracts only with subcontractors who employ residents of Indiana as at least eighty percent (80%) of the employees who work on the subcontract.
- (d) Before August 15 of 2010 and each year thereafter, the commission shall file with the commissioner of the Indiana department of administration a report stating:
  - (1) for each contractor awarded a contract under this chapter; and
  - (2) for each subcontractor with which a contractor referred to in subdivision (1) enters into a contract in connection with a contract awarded under this chapter;

the percentage of the employees of the contractor or subcontractor who work on the contract and are residents of Indiana.

- (e) A contract awarded under this chapter for a public works project is terminated if the commission determines that the contractor has failed to:
  - (1) employ residents of Indiana as at least eighty percent (80%) of the employees who work on the contract; and
  - (2) enter into subcontracts only with subcontractors who







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employ residents of Indiana as at least eighty percent (80%) of the employees who work on the subcontract.

(f) A contractor or subcontractor who fails to employ residents of Indiana as at least eighty percent (80%) of the employees who work on the contract or subcontract commits a Class B infraction for each nonresident of Indiana employed in excess of the number of nonresident employees permitted by this section.

SECTION 10. IC 8-15-2-1, AS AMENDED BY P.L.1-2007, SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) In order to remove the handicaps and hazards on the congested highways in Indiana, to facilitate vehicular traffic throughout the state, to promote the agricultural and industrial development of the state, and to provide for the general welfare by the construction of modern express highways embodying safety devices, including center division, ample shoulder widths, long sight distances, multiple lanes in each direction, and grade separations at intersections with other highways and railroads, the authority may:

- (1) subject to subsection (d), construct, reconstruct, maintain, repair, and operate toll road projects at such locations as shall be approved by the governor;
- (2) in accordance with such alignment and design standards as shall be approved by the authority and subject to IC 8-9.5-8-10, issue toll road revenue bonds of the state payable solely from funds pledged for their payment, as authorized by this chapter, to pay the cost of such projects;
- (3) finance, develop, construct, reconstruct, improve, or maintain improvements for manufacturing, commercial, or public transportation activities within a county through which a toll road passes;
- (4) in cooperation with the Indiana department of transportation or a political subdivision, construct, reconstruct, or finance the construction or reconstruction of an arterial highway or an arterial street that is located within a county through which a toll road passes and that:
  - (A) interchanges with a toll road project; or
  - (B) intersects with a road or a street that interchanges with a toll road project;
- (5) finance improvements necessary for developing transportation corridors in northwestern Indiana; and
- (6) exercise these powers in participation with any governmental entity or with any individual, partnership, limited liability company, or corporation.

HB 1656—LS 7476/DI 92+











- (b) Notwithstanding subsection (a), the authority shall not construct, maintain, operate, nor contract for the construction, maintenance, or operation of transient lodging facilities on, or adjacent to, such toll road projects.
  - (c) This chapter:
    - (1) applies to the authority only when acting for the purposes set forth in this chapter; and
    - (2) does not apply to the authority when acting under any other statute for any other purpose.
- (d) Notwithstanding any other law, neither the authority nor an operator selected under IC 8-15.5 may carry out any of the following activities under this chapter unless the general assembly enacts a statute authorizing that activity:
  - (1) Carrying out construction for Interstate Highway 69 in a township having a population of more than seventy-five thousand (75,000) and less than ninety-three thousand five hundred (93,500).
  - (2) Imposing tolls on motor vehicles for use of the part of an interstate highway that connects a consolidated city and a city having a population of more than eleven thousand five hundred (11,500) but less than eleven thousand seven hundred forty (11,740). Interstate Highway 64.

SECTION 11. IC 8-15-3-9, AS AMENDED BY P.L.47-2006, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Subject to subsection (e), the governor must approve the location of any tollway.

- (b) The department may, in any combination, plan, design, develop, construct, reconstruct, maintain, repair, police, finance, and operate tollways, public improvements, and arterial streets and roads at those locations that the governor approves.
- (c) The department may, in any combination, plan, design, develop, construct, reconstruct, improve, finance, operate, repair, or maintain public improvements such as roads and streets, sewer lines, water lines, and other utilities if these improvements are:
  - (1) adjacent or appurtenant to a tollway; or
  - (2) necessary or desirable for the financing, construction, operation, or maintenance of a tollway.
- (d) The department may, in any combination, plan, design, develop, construct, reconstruct, improve, maintain, repair, operate, or finance the construction or reconstruction of an arterial highway or an arterial street that:
  - (1) is adjacent to, appurtenant to, or interchanges with a tollway;









or

- (2) intersects with a road or street that interchanges with a tollway.
- (e) Notwithstanding any other law, the governor, the department, or an operator may not carry out any of the following activities under this chapter unless the general assembly enacts a statute authorizing that activity:
  - (1) Approve the location of a tollway other than Interstate Highway 69 between Interstate Highway 64 and a consolidated city. having a population of more than eleven thousand five hundred (11,500) but less than eleven thousand seven hundred forty (11,740).
  - (2) Carry out construction for Interstate Highway 69 in a township having a population of more than seventy-five thousand (75,000) and less than ninety-three thousand five hundred (93,500).
  - (3) Impose tolls on motor vehicles for use of the part of an interstate highway that connects a consolidated city and a city having a population of more than eleven thousand five hundred (11,500) but less than eleven thousand seven hundred forty (11,740). Interstate Highway 64.

SECTION 12. IC 8-15.5-1-2, AS ADDED BY P.L.47-2006, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) This article contains full and complete authority for public-private agreements between the authority and a private entity. Except as provided in this article, no law, procedure, proceeding, publication, notice, consent, approval, order, or act by the authority or any other officer, department, agency, or instrumentality of the state or any political subdivision is required for the authority to enter into a public-private agreement with a private entity under this article, or for a toll road project that is the subject of a public-private agreement to be constructed, acquired, maintained, repaired, operated, financed, transferred, or conveyed.

- (b) Notwithstanding any other law, after August 1, 2006, neither the authority nor the department may:
  - (1) issue a request for proposals for; or
  - (2) enter into;
- a public-private agreement under this article that would authorize an operator to impose tolls for the operation of motor vehicles on all or part of a project, unless the general assembly adopts a statute authorizing the imposition of tolls.
- (c) Notwithstanding any other law, neither the authority nor an operator may carry out any of the following activities under this article











unless the general assembly enacts a statute authorizing that activity:

- (1) Carrying out construction for Interstate Highway 69 in a township having a population of more than seventy-five thousand (75,000) and less than ninety-three thousand five hundred (93,500).
- (2) Imposing tolls on motor vehicles for use of the part of an interstate highway that connects a consolidated city and a city having a population of more than eleven thousand five hundred (11,500) but less than eleven thousand seven hundred forty (11,740). Interstate Highway 64.

SECTION 13. IC 8-15.7-1-5, AS AMENDED BY P.L.203-2007, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) This article contains full and complete authority for agreements and leases with private entities to carry out the activities described in this article. Except as provided in this article, no procedure, proceeding, publication, notice, consent, approval, order, or act by the authority, the department, or any other state or local agency or official is required to enter into an agreement or lease, and no law to the contrary affects, limits, or diminishes the authority for agreements and leases with private entities, except as provided by this article.

- (b) Notwithstanding any other law, the department, the authority, or an operator may not carry out any of the following activities under this article unless the general assembly enacts a statute authorizing that activity:
  - (1) Issuing a request for proposals for, or entering into, a public-private agreement concerning a project other than Interstate Highway 69 between Interstate Highway 465 and Interstate Highway 64.
  - (2) Carrying out construction for Interstate Highway 69 in a township having a population of more than seventy-five thousand (75,000) and less than ninety-three thousand five hundred (93,500).
  - (3) Imposing user fees on motor vehicles for use of the part of an interstate highway that connects a consolidated city and a city having a population of more than eleven thousand five hundred (11,500) but less than eleven thousand seven hundred forty (11,740). Interstate Highway 64.
- (c) Notwithstanding subsection (b) or any other law, the department or the authority may enter into a public-private agreement concerning a project consisting of a passenger or freight railroad system described in IC 8-15.7-2-14(a)(4). Such an agreement is subject to review and appropriation by the general assembly. However, this subsection does

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not prohibit the department from:

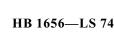
- (1) conducting preliminary studies that the department considers necessary to determine the feasibility of such a project; or
- (2) issuing a request for qualifications or a request for proposals, or both, under IC 8-15.7-4 for such a project.

SECTION 14. IC 8-23-7-22, AS AMENDED BY P.L.47-2006, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22. (a) Subject to subsection (b), the department may, after issuing an order and receiving the governor's approval, determine that a state highway should become a tollway. After the order becomes effective, the department shall maintain and operate the tollway and levy and collect tolls as provided in IC 8-15-3 or enter into a public-private agreement with an operator with respect to the tollway under IC 8-15.7. Before issuing an order under this section, the department shall submit to the governor a plan to bring the tollway to the current design standards of the department for new state highways within a specified period. The specified period may not exceed five (5) years.

- (b) Notwithstanding any other law, the governor, the department, or an operator may not carry out any of the following activities under this section unless the general assembly enacts a statute authorizing that activity:
  - (1) Determine that a highway other than Interstate Highway 69 between Interstate Highway 64 and a consolidated city having a population of more than eleven thousand five hundred (11,500) but less than eleven thousand seven hundred forty (11,740), should become a tollway.
  - (2) Carry out construction for Interstate Highway 69 in a township having a population of more than seventy-five thousand (75,000) and less than ninety-three thousand five hundred (93,500).
  - (3) Impose tolls on motor vehicles for use of the part of an interstate highway that connects a consolidated city and a city having a population of more than eleven thousand five hundred (11,500) but less than eleven thousand seven hundred forty (11,740). Interstate Highway 64.

SECTION 15. IC 8-23-7-23, AS AMENDED BY P.L.47-2006, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. (a) Subject to subsection (c), the department may, after issuing an order and receiving the governor's approval, determine that a state highway should become a toll road. An order under this section does not become effective unless the authority adopts a resolution to accept the designated state highway, or part of

HB 1656-LS 7476/DI 92+











the highway, as a toll road project under the conditions contained in the order. An order issued by the department under this section must set forth the conditions upon which the transfer of the state highway, or part of the highway, to the authority must occur, including the following:

- (1) The consideration, if any, to be paid by the authority to the department.
- (2) A requirement that the authority:
  - (A) enter into a contract or lease with the department with respect to the toll road project under IC 8-9.5-8-7 or IC 8-9.5-8-8; or
  - (B) enter into a public-private agreement with an operator with respect to the toll road under IC 8-15.5.
- (b) To complete a transfer under this section, the department must, with the governor's approval, execute a certificate describing the real and personal property constituting or to be transferred with the state highway that is to become a toll road project. Upon delivery of the certificate to the authority, the real and personal property described in the certificate is under the jurisdiction and control of the authority.
- (c) Notwithstanding any other law, neither the authority nor an operator may carry out any of the following activities under this section unless the general assembly enacts a statute authorizing that activity:
  - (1) Carrying out construction for Interstate Highway 69 in a township having a population of more than seventy-five thousand (75,000) and less than ninety-three thousand five hundred (93,500).
  - (2) Imposing tolls on motor vehicles for use of the part of an interstate highway that connects a consolidated city and a city having a population of more than eleven thousand five hundred (11,500) but less than eleven thousand seven hundred forty (11,740). Interstate Highway 64.

SECTION 16. IC 8-23-9-4.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.6. (a) As used in this section, "resident of Indiana" means a person who is at least eighteen (18) years of age and is one (1) of the following:

- (1) A person who has registered a motor vehicle in Indiana.
- (2) A person who is registered to vote in Indiana.
- (3) A person who has a child enrolled in an elementary or a secondary school located in Indiana.
- (4) A person who derives more than one-half (1/2) of the person's gross income (as defined in Section 61 of the Internal











Revenue Code) from sources in Indiana, according to the provisions applicable to determining the source of adjusted gross income that are set forth in IC 6-3-2-2. However, a person who would otherwise be considered a resident of Indiana under this subdivision is not a resident of Indiana if a preponderance of the evidence concerning the factors set forth in subdivisions (1) through (3) proves that the person is not a resident of Indiana.

- (b) When entering into a contract under this chapter, each contractor shall provide the department with information on the number of residents of Indiana who will be employed by the contractor and the number of residents of Indiana who will be employed by any subcontractor of the contractor.
- (c) A contract for a public works project under this chapter may not be awarded to a contractor who does not:
  - (1) employ residents of Indiana as at least eighty percent (80%) of the employees of the contractor who work on the contract; and
  - (2) enter into subcontracts only with subcontractors who employ residents of Indiana as at least eighty percent (80%) of the employees working on the subcontract.
- (d) Before August 15 of 2010 and each year thereafter, the department shall file with the commissioner of the Indiana department of administration a report stating:
  - (1) for each contractor awarded a contract under this chapter; and
  - (2) for each subcontractor with which a contractor referred to in subdivision (1) enters into a contract in connection with a contract awarded under this chapter;

the percentage of the employees of the contractor or subcontractor who work on the contract and are residents of Indiana.

- (e) A contract awarded under this chapter for a public works project is terminated if the department determines that the contractor has failed to:
  - (1) employ residents of Indiana as at least eighty percent (80%) of the employees who work on the contract; and
  - (2) enter into subcontracts only with subcontractors who employ residents of Indiana as at least eighty percent (80%) of the employees who work on the subcontract.
- (f) A contractor or subcontractor who fails to employ residents of Indiana as at least eighty percent (80%) of the employees who work on the contract or subcontract commits a Class B infraction









for each nonresident of Indiana employed in excess of the number of nonresident employees permitted by this section.

SECTION 17. IC 36-1-12-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.5. (a) As used in this section, "resident of Indiana" means a person who is at least eighteen (18) years of age and is one (1) of the following:

- (1) A person who has registered a motor vehicle in Indiana.
- (2) A person who is registered to vote in Indiana.
- (3) A person who has a child enrolled in an elementary or a secondary school located in Indiana.
- (4) A person who derives more than one-half (1/2) of the person's gross income (as defined in Section 61 of the Internal Revenue Code) from sources in Indiana, according to the provisions applicable to determining the source of adjusted gross income that are set forth in IC 6-3-2-2. However, a person who would otherwise be considered a resident of Indiana under this subdivision is not a resident of Indiana if a preponderance of the evidence concerning the factors set forth in subdivisions (1) through (3) proves that the person is not a resident of Indiana.
- (b) When entering a bid under this chapter, each contractor shall provide the unit of local government with information on the number of residents of Indiana who will be employed by the contractor and the number of residents of Indiana who will be employed by any subcontractor of the contractor.
- (c) A contract for a public works project under this chapter may not be awarded to a contractor who does not:
  - (1) employ residents of Indiana as at least eighty percent (80%) of the employees of the contractor who work on the contract; and
  - (2) enter into subcontracts only with subcontractors who employ residents of Indiana as at least eighty percent (80%) of the employees working on the subcontract.
- (d) A contract awarded under this chapter for a public works project is terminated if the unit determines that the contractor has failed to:
  - (1) employ residents of Indiana as at least eighty percent (80%) of the employees who work on the contract; and
  - (2) enter into subcontracts only with subcontractors who employ residents of Indiana as at least eighty percent (80%) of the employees who work on the subcontract.

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(e) A contractor or subcontractor who fails to employ residents of Indiana as at least eighty percent (80%) of the employees who work on the contract or subcontract commits a Class B infraction for each nonresident of Indiana employed in excess of the number of nonresident employees permitted by this section.".

Delete pages 2 through 5.

Page 6, delete lines 1 through 4.

Page 6, between lines 30 and 31, begin a new paragraph and insert:

"(c) Not more than thirty (30) days after accepting economic stimulus funds, the governor shall submit a report to the general assembly containing the governor's recommendations for the expenditure of the economic stimulus funds. The report required by this subsection must be submitted in an electronic format under IC 5-14-6.".

Page 6, line 31, delete "(c)" and insert "(d)".

Page 6, delete lines 32 through 42, begin a new paragraph and insert:

"SECTION 13. [EFFECTIVE JULY 1, 2009] (a) For the period beginning July 1, 2009, and ending June 30, 2011, there is appropriated from the major moves construction fund the following amounts:

- (1) Four hundred million dollars (\$400,000,000) for the counties of Indiana.
- (2) Four hundred million dollars (\$400,000,000) for the cities and towns of Indiana.
- (3) Two hundred million dollars (\$200,000,000) to the Indiana department of transportation.
- (b) The amounts appropriated under subsection (a) are subject to the limitations set forth in this subsection. Money appropriated under subsection (a) may not include any money that as of January 1, 2009 has been:
  - (1) appropriated and allotted to;
  - (2) appropriated to; or
  - (3) planned by;

the Indiana department of transportation for expenditure on the extension of Interstate Highway 69 from Indianapolis to Evansville.

(c) The amounts appropriated under subsection (a) must be reduced proportionally if the result of subtracting the money described in subsection (b) from the balance of the major moves construction fund is insufficient to fully fund the appropriations set forth in subsection (a).









- (d) Money appropriated under subsection (a)(1) must be distributed to the counties according to the ratio that the population of each county bears to the total population of all counties. The population totals used for purposes of the local road and street account under IC 8-14-2 must be used for the purposes of this subsection.
- (e) Money appropriated under subsection (a)(2) must be distributed to the cities and towns according to the ratio that the population of each city and town bears to the total population of all cities and towns. The population totals used for distributions from the motor vehicle highway account under IC 8-14-1-3 must be used for the purposes of this subsection.
- (f) Each county, city, or town receiving money under this SECTION shall keep the money in a separate account. Money received under this SECTION may be used only for the construction or reconstruction and maintenance of streets and alleys. The fiscal body of a county, city, or town shall appropriate the money received under this SECTION for a shovel ready project before January 1, 2011. Any money that is not appropriated in compliance with this subsection is forfeited to the state. The fiscal officer of a county, city, or town that holds forfeited money in the separate account required by this subsection shall transfer the forfeited amount to the treasurer of state before February 1, 2011. The treasurer of state shall deposit any money received under this subsection in the major moves construction fund.
- (g) Money appropriated under subsection (a)(3) shall be used by the Indiana department of transportation to obtain federal highway matching funds. The purpose of the appropriation is to supplement the federal highway matching funds obtained with money appropriated to the department under all other laws. The department may not divert money received from an appropriation for formal contract expenses to any purpose that does not qualify for federal highway matching funds.
  - (h) This SECTION expires July 1, 2011.".

Delete page 7.

Page 8, delete lines 1 through 3.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1656 as printed January 16, 2009.)

CRAWFORD, Chair

Committee Vote: yeas 15, nays 8.

HB 1656—LS 7476/DI 92+







